

House Subcommittee on Housing and Community Opportunity

**Solving the Affordable Housing Crisis in the Gulf Coast Region Post Katrina: Why
No Progress and What are the Obstacles to Success?**

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Congresswoman Waters, it is a pleasure to be with a fellow Californian. But it seems we meet only during times of difficulty and strife. Our first meeting, as I recall it, was in the aftermath of the Rodney King riots that swept Los Angeles in 1992, when Mayor Tom Bradley asked me to come to Los Angeles to help with that difficult situation.

This unfortunate event was not my first experience of dealing with the aftermath of urban disasters, as it came on the heels of the Oakland-San Francisco earthquakes and the recovery effort that I was managing at that time and the Oakland Hills Fires all in the same year. Later, I was able to assist teams working on the Northridge earthquake, where I provided urban planning expertise to the rebuilding of the San Fernando Valley and joined the Board of the Local Initiative Support Foundation to restart housing and other innovative programs in that community.

When I retired from the University of California in 1994 after serving at UC Berkeley for 26 as a department chair and for eight years as an assistant vice president responsible for human resources for the entire 10-campus system, I went to Los Angeles, where I ran the urban planning program at the University of Southern California until 2000. As you know, my tenure at USC brought me face to face with a number of new challenges in the continuing rebuilding efforts in South Central Los Angeles. After my brief run against Jerry Brown, the Congressional Black Caucus asked me to help the U.S. Congress shape a new set of housing and urban development approaches. I worked with Secretary Cisneros and President Clinton on several important programs that are still shaping urban

policy, such as the Enterprise Zones and Enterprise Communities as well as Hope VI. I hope we can use them effectively here in New Orleans.

When I left USC, I arrived in New York City at the Milano Graduate School of New School University just in time to become engaged with the 100 Black Men in shaping a new set of urban policies that were subsequently played out in the aftermath of the 9-11 attacks on New York. My role in that disaster continues, even though I moved to Sydney, Australia. I continue to be directly involved with the Regional Plan Association of New York on policy issues related to shaping urban and economic development policies for New City and Long Island. I remain on the Long Island Index, which I helped to create to bring about better social and economic results for minorities and others in the nation's oldest suburb.

My work as an urban consultant in city building has taken me to Seoul, Korea, where we designed and built half a dozen new suburbs as large as New Orleans's current population. In my current role, I am assisting in the building of more than 100 new cities in China. So building and rebuilding cities is central to my background and expertise.

Through my work as an academic, I have taught others how to do this kind of thing. I am proud to say that Joe Leitmann and others leading the efforts in Ache are among my students and protégés who are called upon to assist in the re-construction of cities across the globe.

In many respects, all of these experiences have prepared me for the current situation in New Orleans. I am able to call on them and a handful of other experts as we engage in the rebuilding of New Orleans. My latest protégé, Ali Sahabi, and I are currently building a mixed use mixed income development in Southern California that is larger than most of New Orleans neighborhood districts.

The nature of the task in New Orleans is different in scale but not in kind to the many situations my colleagues and I have faced in other venues. But the scale of this

catastrophe is not to be diminished. Nor should I, or anyone, think that we can import tailor made solutions to the local situation. On the other hand, this is not the time for learning on the job.

Unfortunately, we have had a lot of attempts here to learn while doing. By the Federal Emergency Management Agency's own admission, few skilled people were available at the time of the event or post-catastrophe to deal with a crisis of this magnitude. Furthermore, in any major crisis, the initial post-disaster response is critical to the rapidity of the recovery. As you and the other members recall, the Santa Monica Freeway, which was breeched in the Northridge earthquake, was returned to service in a few days and not the months that were estimated to repair it. The same was true in the Oakland Hills fires. Before the fires were out, we had a command post and return home center open. Not a single resident decided to move out of the City of Oakland as a result of the fire response from local government.

Oakland is an analogue for New Orleans, where changes in government and racial composition not unlike New Orleans could have led to very different results. I must say the pioneering work of Don Maynard at the Oakland Tribune in getting out positive stories had more than a little to do with the magnificent conclusions we experienced in Oakland. And in New York, the professionalism of the city's public bureaucracy was and remains something to behold. There, citizens have been deeply engaged in a process very similar to the one used here in New Orleans. In fact, America Speaks, which provided the logistical and meeting management processes in New York, is doing the same thing here in New Orleans.

Critical in any recovery is the establishment of direction that comes from both the citizen input as well as the institutional leadership to guide those responses and desires into both public policy and specific projects. Mayor Nagin is providing this context. Our strategic recovery direction is based on 5 fundamental principles. These principles are:

1. **Continue the healing and consultation:** The trauma of the disaster will remain for many years, so it is necessary to continue a process where people can see, feel and participate in the recovery. We have engaged in several processes that are now coming to the point that we can implement projects and programs based on citizen input.
2. **Insure safety and security in all neighborhoods:** The levee breeches made all of our citizens feel unsafe regarding the capacity of the levees to be their sole protection. No one can be sure where the next storm will come from or who it will hit. The recent tornados were an illustration of a very arbitrary weather pattern. We will have to make all neighborhoods safe with internal safety measures beyond those of the Corp of Engineers. This will mean new urban design strategies. But we also have to ensure that good neighborhoods incorporate a reduction in fear from violence of all forms. And to feel safe, one must have a good school and access to good comprehensive health care.
3. **Build new 21st and 22nd Century Infrastructure:** It would not be good or smart to replace our old infrastructure as it was. To meet the demand of the future, modern infrastructure from water and sewer to fiber optic cable has to be installed throughout the city. So as we are opening up the street for new pipes, we have to be aware of the opportunities for optic cable to the door. We did this in downtown Oakland with marvelous results for the Port of Oakland and the surrounding digital firms.
4. **Diversifying the economy:** The New Orleans economy is based primarily in tourism. While today many new opportunities are opening up in construction and manufacturing, the future of the City and Region lie in international trade, bio-medicine and digital technologies to create jobs not just for today, but tomorrow as well.
5. **A Sustainable Settlement Pattern:** This must be robust enough to deal with the vagaries of nature but smart enough to attract and retain the brain power that will be the backbone of the next century.

How do we do this?

First, a city like New Orleans already has a very well defined and excellent urban fabric, with unique architecture that fits the climate and the circumstances. We have to build onto this fabric. We will start by identifying the partners in the public and private sector that can take on a challenge of this scale and work with locals to implement it. We will provide residents with a variety of alternatives for returning to their homes safely. We will allow neighbors to swap their current properties for newly elevated areas across the street or a block or so away on land that was already in the City's possession or that previously held blighted property that the city claimed. It could also include old school sites. This will keep neighborhoods in tact but provide safety at low cost. Preliminary analysis indicates that it is cheaper to provide elevated neighborhoods than it is for individuals to build elevated structures on their own to different heights along the same street. This will also provide a new and better urban form.

Another key is to create Targeted Development Locations or zones. In most cases, these have already been identified through the community consultation process as the places to demonstrate a new form of clustered settlement around schools and other civic assets. We will honor the community consultation process by catalyzing developments in a specified zone in order to kick off the private sector investments throughout the community. We can start this process quickly and have very high returns early.

Another fillip in this process is the New Orleans Redevelopment Authority or NORA. The Office of Recovery Management will not be an operational organization but the resource manager to ensure the strategy is being carried out within the mandates laid out by the Mayor, the City Council and the citizens.

NORA will be the repository of the inventory of blighted properties in the selected target zones and will be able to use the resources of the City through a series of infrastructure and blight bonds that we will issue to provide the seed capital to begin rebuilding neighborhoods all over the city. NORA's role will be augmented by the use of city

resources, schools and other civic institutions that will align their programs to ensure these projects work in the zones quickly and well. To ensure coordination, a new Parish Wide Recovery Committee is being established by the Mayor with me as the Chair to make coordination of resources possible across the Parish for these and other programs. We will coordinate our programs with the Housing Authority of New Orleans (HANO) so neighborhood recovery of these programs is in sync with the total neighborhood recovery efforts. Federal resources will have to be organized to make recovery the primary mandate for the vast array of federal funds. The Office of Recovery Management is being tasked with this responsibility in cooperation with Chairman Powell's Office in the White House.

Finally, the Office of Recovery Management is already playing a key role in the City itself and with State and Federal agencies. FEMA, State Homeland Security and the Louisiana Recovery Authority have established or will establish co-located offices on the same floor as us or in our suite. The Recovery School District and the New Orleans School District have agreed to do joint facilities planning with us to make sure the new cluster arrangement will be the cornerstone of the district and neighborhood recovery implementation efforts.

Several foundations have provided resources to assist in implementing this approach. I hope that my previous background with these foundations and with Wall Street will serve us well in the recovery. Clearly, as I said at the outset of this presentation, the way you start a recovery is very important, and coordinating the resources through a single point is even more important. I look forward to making the recovery of the great City of New Orleans -- the soul of America -- the most important work the American people will do in this first decade of the 21st Century.